



TRAVEL PRINTOUT

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States Struggle to Maintain Travel Budgets

State travel offices are struggling to maintain their funding at a time when budget cutters are looking everywhere for reductions. Twenty-one states plan to cut back on their state travel office budgets in 1991-92, according to the U.S. Travel Data Center's 1991-92 Survey of State Travel Offices.

State governments plan to spend more than \$342 million for travel and tourism development and promotion in fiscal year 1991-92, remaining stable from 1990-91. This is the first time in the past 10 years that total state tourism spending does not show an increase from the previous year.

The importance of the travel industry to the U.S. economy is reflected in the dramatic increase in state travel office budgets in the last 10 years. In 1980, the total of all 50 state travel office budgets reached \$90 million. Now, at more than \$342 million, this is nearly a 280 percent increase.

In recessionary times state budgets are cut back, but tourism budgets seem to be able to weather the storm. During the last recession in 1981-82, state travel office budgets managed to show an increase of 2 percent.

The 19th annual report, which provides state travel office budgets by category as well as information on advertising, promotion, research and other programs, listed Texas as having the highest projected state travel office budget in fiscal year 1991-92. Texas increased its state travel office budget 31 percent in 1991-92, to more than \$26.7 million.

Even though there are 21 states experiencing budget cuts this year, only three (Hawaii, Pennsylvania and Alaska) of the top 10 state travel office budgets have been reduced. The top five projected state travel office budgets for 1991-92 include; Texas, Illinois, Hawaii, Louisiana and Florida. The average state travel office budget is \$6.8 million for the fiscal year 1991-92.

Louisiana's state travel office budget continued to climb in 1991-92. After increasing its state travel budget 81 percent

last year, Louisiana received an additional 44 percent increase in 1991-92. In addition, Massachusetts, New Mexico, North Dakota and Texas project significant increases for fiscal year 1991-92. States such as California, New York and Tennessee,

however, project significant decreases in their budgets.

A large component of each state's travel office budget is the amount allocated for advertising purposes. For the second straight year, Illinois intends to spend the most on advertising, with a budget of \$10 million this year. Louisiana, Texas, Virginia and Hawaii round out the top five state advertisers.

With 47 of the 50 states reporting, the average advertising budget for 1991-92 is more than \$2.35 million, representing a significant increase over the 1980 average of \$643,500 per state. The average advertising budget decreased 3.7 percent over last year.

More than half of all the states reporting showed declines in their advertising budgets. In addition,

the top 10 state advertising budgets accounted for nearly 50 percent of the total for fiscal year 1991-92.

The 1991-92 Survey of State Travel Offices is based upon questionnaires completed by representatives of all the state travel offices, the District of Columbia and U.S. territories.

In addition to detailed budget breakdowns, the survey also provides information about state governments' programs including: General Administration, Organization, Advertising and Promotion, Press and Public Relations, Research and Welcome Centers.

The 1991-92 Survey of State Travel Offices is available for \$75 and can be purchased by contacting the Data Center at (202) 293-1040. (Data Center members will be receiving a complimentary copy.)

Top 10 List

1.	Texas	\$26.7 million*
2.	Illinois	25.0
3.	Hawaii	23.0
4.	Louisiana	13.5
5.	Florida	12.8
6.	Pennsylvania	12.4
7.	Alaska	10.5
8.	South Carolina	10.3
9.	Virginia	9.9
10.	Colorado	9.7

* Projected numbers for 1991-92



Travel Prices Increase 2 Percent in January

The cost of travel in the United States increased for the second consecutive month, increasing 2 percent in January and increasing less than 1 percent over the past 12 months, according to the Data Center's latest Travel Price Index (TPI).

The TPI, which measures seasonally unadjusted changes in the cost of travel in the U.S. increased to 146.9 (1982 = 100) during January.

For comparison, the overall cost of goods and services Americans purchase, as measured by the Consumer Price Index (CPI), increased 0.2 percent in January and rose to 138.1.

Travel Price Index and Components

January 1992	Monthly % Change December 1991 to January 1992	Annual % Change January 1991 to January 1992
<u>TPI Component</u>	<u>January 1992</u>	<u>January 1992</u>
Transportation	-1.6	-9.1
Airline Fares	0.4	-6.3
Other Intercity Trans.	-0.4	1.5
Intracity Public Trans.	3.6	7.0
Motor Fuel	-4.0	-12.7
Lodging	7.4	5.3
Food and Beverages		
Away From Home	0.1	3.0
Entertainment	0.2	4.3
TRAVEL PRICE INDEX	2.0	0.9
CONSUMER PRICE INDEX	0.2	2.6

Source: U.S. Travel Data Center and the U.S. Bureau of Labor Statistics

Lodging prices increased for the second straight month, increasing more than 7 percent in January. Over the last 12 months, lodging prices increased more than 5 percent.

The transportation component of the TPI decreased for the first time since October, decreasing nearly 2 percent in January. Over the last 12 months transportation prices actually dropped more than 9 percent.

Airline fares showed a slight increase in January and decreased more than 6 percent over the last 12 months. Motor fuel prices dropped 4 percent in January. In the last 12 months, motor fuel costs plummeted nearly 13 percent.

Entertainment costs showed a slight increase this past January, after decreasing in November and December. In the past 12 months, entertainment costs increased more than 4 percent.

The cost of other intercity transportation and food and beverages away from home remained fairly stable in January. In addition, both showed slight increases in the last 12 months.

The TPI indicates price changes in travel goods and

services available to consumers in the U.S. and does not necessarily represent changes in the average fares, rates and other costs that travelers actually paid.

Fifty-six million U.S. Adults Intend to Travel Internationally in 1992

Nearly 56 million people or 30 percent of the U.S. adult population indicated they are likely to take an international trip in 1992, according to the U.S. Travel Data Center's National Travel Survey (NTS).

The survey, which interviewed 1,500 U.S. adult residents in December 1991, indicated that 63 percent of all U.S. adults who have taken an international trip in the past three years are very or somewhat likely to take another international trip in 1992. These potential international travelers are more likely to be between 45 to 49 years old, with an annual family income of \$40,000 or more and employed in professional or managerial positions.

The U.S. Travel Data Center sponsors and conducts the NTS, a monthly telephone survey with probability samples of 1,500 U.S. adult residents, which measures traveler volume and behavior and which is available for use by travel suppliers and other companies. The Data Center has the capabilities of focusing solely on the U.S. adult traveler market. This gives the Data Center the flexibility to ask a variety of custom proprietary questions to meet clients' particular information needs.

Call Susan Weil of the Data Center at (202) 293-1040, to find out how you can add questions to the National Travel Survey.

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Dr. Suzanne D. Cook, Executive Director
Scott M. Dring, Editor

TRAVEL PRINTOUT reports on Data Center projects, national travel research conducted by other organizations and trends in the U.S. Travel Industry. Subscriptions are \$75 per year; Foreign countries, \$80 per year, payable in U.S. funds. ISSN: 0744-6233.

Travel Declines 1.2 Percent in Second Quarter 1991

Travel decreased 1.2 percent in the second quarter of 1991 compared to the same period in 1990, this after remaining stable in the first quarter, according to preliminary numbers from the U.S. Travel Data Center's National Travel Survey (NTS).

Both business and vacation travel, in terms of person-trips, showed declines over the period of April, May and June while personal travel increased significantly. Personal travel encompasses trips taken for weddings, relocation and funerals, among others.

Vacation travel remained stable while weekend trips increased significantly, continuing the trend of consumer's shorter duration travel during economic downturns. The average party size for travel grew to 2.1 people for the second quarter, compared to 1.9 people during the same period in 1990.

Hotel travel increased more than 1 percent during this period compared to 1990, but the increase in the supply of rooms resulted in a drop in occupancy rates. Auto travel remained flat despite declining gasoline prices. Air travel also remained stable due largely to a strengthening domestic

market.

The National Travel Survey is conducted monthly by telephone and with national probability samples of 1,500 adults. For additional information on the survey, contact Elizabeth Stewart, manager of market research, at (202) 293-1040.

Discoveries...

Frequent leisure travelers take an average of 6 trips per year and spend an average of \$3,820 on each of these trips, according to Erdos & Morgan/MPG's *Frequent Leisure Travelers; A Study of Markets and Media*.

The typical frequent leisure traveler, defined as those who earn \$35,000 or more a year and have taken five or more leisure trips in the past three years, is male (66.9 percent) and has an average household income of \$62,740.

Almost three-quarters of frequent leisure travelers plan their own itinerary rather than take organized tours, but the popularity of organized tours does increase with age. More than 55 percent of all frequent leisure travelers collect information about trips themselves, while 32 percent use travel agents.

The average length of leisure trips for these travelers is nearly 9 days. The preferred trip length is strongly related to the age of the traveler, with older travelers preferring longer trips.

The report also includes information on selected media that reach frequent leisure travelers. The top 3 publications that reach this market include; Reader's Digest, National Geographic and USA Today.

Frequent Leisure Travelers is a market investigation designed to provide current insights into the character, attitudes and needs of the affluent leisure traveler. It is based on 5,105 completed interviews among those with household incomes of \$35,000 or more who have taken five or more leisure trips in the past three years. The information represents the activities of nearly 25 million leisure travelers.

Erdos & Morgan/MPG, a marketing research firm, also publishes *Frequent Business Travelers; A Study of Markets and Media*. For additional information on both reports, call Irene Ochs-Lilien at (212) 685-9393.

"Discoveries" is a Travel Printout feature designed to give added exposure to all types of travel-related research. To submit your company's travel research projects, send a brief description of the report, including the price, address, and contact name, to Scott Dring, U.S. Travel Data Center, 1133 21st Street, Washington, D.C. 20036.

Visitor Volume at National Parks

Region	Dec. 1991	% Change	Year to Date
	Visits	Dec. 1990	1991/90*
NEW ENGLAND	306,261	-9.9%	1.1%
MIDDLE ATLANTIC	1,225,055	5.2	6.8
SOUTH ATLANTIC	3,860,500	0.5	-0.9
EAST SOUTH CENT.	963,760	12.0	6.0
EAST NORTH CENT.	189,180	5.1	8.6
WEST NORTH CENT.	246,394	31.8	7.8
WEST SOUTH CENT.	376,569	2.6	-2.3
MOUNTAIN	1,157,035	-0.4	3.5
PACIFIC	2,584,145	14.5	4.7
TOTAL	10,908,899	5.3	2.8

* Percent change figures may not be consistent with those previously reported due to National Park Service revisions.

Census regions: New England: Conn., Maine, Mass., N.H., R.I., Vermont.
Middle Atlantic: N.J., N.Y., Penn. S. Atlantic: Del., District of Columbia, Fla., Ga., Md., N.C., S.C., Va., W.Va. East South Central: Ala., Ky., Miss., Tenn. East North Central: Ill., Ind., Mich., Ohio, Wis. West North Central: Iowa, Kan., Minn., Mo., Neb., N.D., S.D. West South Central: Ark., La., Okla., Texas. Mountain: Ariz., Colo., Idaho, Mont., Nev., N.M., Utah, Wyo. Pacific: Alaska, Calif., Hawaii, Ore., Wash.

Current Travel Indicators - 1990/91/92

	Month	Value	Units	Percent Change		
				Last Month	Year Ago	Year To Date
Establishment Receipts or Retail Sales						
Hotels, Motels, Other Lodging Places(1)...	Dec	\$3,800	million	-21.6	1.9	1.2
Eating and Drinking Places(2).....	Jan	\$16,689	million	0.7	8.8	8.8
Gasoline Service Stations(2).....	Jan	\$10,639	million	1.4	-5.9	-5.9
Commercial Lodging Demand						
Hotel/Motel Occupancy Rates(3).....	Dec	60.9	percent	-1.9	2.7	-1.5
Real Demand for Commercial Lodging(4)....	Dec	48.8	million	-17.8	2.1	0.8
Airline Passenger Traffic (5)						
Domestic Revenue Passenger-Miles.....	Jan	24.2	billion	-12.9	-3.1	-3.1
Int'l Revenue Passenger-Miles.....	Jan	9.4	billion	1.4	15.2	15.2
Highway Traffic Volume (6)						
Rural Arterial Passenger-Miles.....	Dec	43.4	billion	2.4	7.6	1.3
Rail Passenger Traffic (7)						
Amtrak Passenger-Miles.....	Dec	526.5	million	7.0	3.4	2.0
Travel Price Index (1982 - 84 = 100) (8).....						
	Jan	146.9		2.0	1.0	1.0
Visitor Volume at National Park Service Areas (11)						
Recreation Visits.....	Dec	10,908,899		-22.0	2.3	4.5
Overnight Stays.....	Dec	363,536		-40.6	4.6	3.5
Foreign Arrivals to the U.S.						
From Overseas(12).....	Oct	1,332,922		-15.2	5.2	7.0
From Canada(13).....	Dec	1,185,246		-8.6	14.9	9.8
From Mexico(12).....	Oct	111,262		0.9	0.0	7.8
U.S. Citizen Departures						
To Overseas(12).....	Jan	N/A				
To Canada(13).....	Dec	547,130		3.1	0.0	-1.8
Domestic Demand for Gasoline						
Barrels/Day(14).....	Dec	N/A				

(1) Source: Smith Travel Research, seasonally adjusted. (2) Preliminary, revised monthly. Source: Bureau of the Census. (3) Source: Smith Travel Research, seasonally adjusted. 1986 and 1987 data have been revised. (4) Smith Travel Research, unadjusted room nights sold. (5) Preliminary, U.S. scheduled service air carriers. Source: Air Transport Association. (6) Preliminary revised monthly. Source: Federal Highway Administration. (7) Source: National Railroad Passenger Corporation (Amtrak). (8) Source: U.S. Travel Data Center and Bureau of Labor Statistics. (9) Source: U.S. Travel Data Center. (10) U.S. Travel Data Center. Data is not comparable to earlier published numbers due to revised methodologies. (11) Preliminary, unadjusted for differences in reporting units. Source: National Park Service. (12) Source: U.S. Travel and Tourism Administration. Mexican data reflect 198 arrivals only. (13) Statistics Canada. (14) Preliminary, Source: U.S. Department of Energy.

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Two Lafayette Centre
1133 21st Street, NW
Washington, D.C.
20036
(202) 293-1040

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Joanne Long
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